

MAGNIFY YOUR IMPACT

HIGHLY APPRECIATED STOCK



UNITED WAY
Eastern Idaho

As a United Way supporter, you are helping to ensure that every child, individual and family in our community thrives. On behalf of the lives you have touched, we thank you. Now you can create a gift for the future with highly appreciated stock.

HIGHLY APPRECIATED STOCK

Because of the many tax benefits, donating highly appreciated stock is a powerful way to support United Way. You'll receive the federal income tax charitable deduction of the full value of the stock while eliminating the need to pay capital gains tax on the growth in the value of the stock.

HOW DOES IT WORK?

Donors start by contributing shares of highly appreciated stock to United Way. These shares will be immediately sold, and United Way will experience an immediate funding—which becomes an asset. The donor can then take an income tax deduction for the full, appreciated value of the stock even if the donor paid a significant amount less when they originally purchased the stock. The donor then avoids paying the capital gains tax—which would be due had the stock been sold. Please note: This scenario assumes the stock had been held for at least a year.

Here's an example: A donor originally purchases stock for \$10,000. Five years later, that stock is valued at \$40,000, and the donor wants to give that \$40,000 to a nonprofit to receive a tax deduction on their federal income tax. Take a look at the chart below to see the benefit of donating that stock to United Way opposed to selling the shares and donating the cash.

	Selling Stock	Donating Stock
Current Price	\$40,000	\$40,000
Gain from Original \$10,000 Price	\$30,000	\$30,000
Capital Gains Tax	\$7,140 (23.8%)	\$0 (0%)
Final Amount (Generating Tax Deduction)	\$32,860	\$40,000

If the donor were to sell the stock, they'd pay \$7,140 in capital gains tax and experience a lower tax deduction. Note: Capital gains taxes vary based on income and other factors, such as a net investment income tax. We encourage all donors to consult with their financial advisor ahead of their gift. United Way of Eastern Idaho does not provide financial planning advice.

PLANNED GIVING NEXT STEPS

United Way staff will be happy to provide assistance as you begin the confidential process of creating a lasting legacy. If you need additional information about program participation, please contact:

Chris Wiersema
President & CEO
Office: 208-522-2674
Cell: 208-914-0073
cwiersema@unitedwayif.org